Qualitative Research Findings

Customer Reactions to Green Power Option

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Prepared For:

NSTAR ELECTRIC GAS

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BACKGROUND/PURPOSE:

The purpose of the research was to better understand reactions to the concept of "green power" among NSTAR Electric's residential customers. Specifically, the research aimed to determine their awareness, understanding and perceptions of green power, and most importantly, their interest in a potential green power option to be offered by NSTAR Electric. In addition, the research sought to learn if customers would be willing to pay a premium for green power and how best the proposed green power option should be structured and marketed to NSTAR's customers.

METHODOLOGY:

On July 22, 2003, two focus groups were conducted, with each group lasting 2 hours. The groups consisted of 9 and 10 participants, respectively, for a total of 19 respondents. The research was conducted at Focus on Boston in Waltham, Massachusetts. Respondents were each paid $65. The focus groups were conducted by Lisa Brown of Brown Marketing Research.

Participants were recruited by telephone by the facility to fit the demographic profile of NSTAR Electric's residential customers: an even mix of men and women, ages 25-54. All respondents had to be responsible for paying the electricity bill and making decisions regarding their household's electric service. Respondents were recruited from a mix of communities served by NSTAR Electric in towns surrounding the Waltham facility. Finally, respondents were screened according to their energy efficiency and recycling habits in order to provide a representative sample in terms of their general environmental awareness.

A summary of the key findings of the research is presented in this document. For further detail, please refer to the videotapes of the sessions and respondents' written handouts.

Qualitative Research Note: While focus group methodology is an excellent technique for exploration, by definition, it does not yield statistically projectable data. Qualitative research, because of the limited number of participants and the geographic restrictions imposed by the proximity to the research facility, is intended to provide insights that are directional in nature.

KEY FINDINGS:

After analyzing the results of this research, the major findings are summarized below. Differences between the groups are noted, as they exist. It should be noted that, while both groups were recruited to have a mix of education and income levels; the second group appeared to be a somewhat more "educated" group, that is, in terms of their specific knowledge of green power sources. Interestingly, this resulted in a desire for "*more information*" and a need for more in-depth communication of the specifics of the program among some respondents.

Given the broad scope of NSTAR's residential customers, in terms of education, income levels, etc., it was helpful to have the different perspectives on the concept offered by the two groups. In marketing the green power option, NSTAR will be faced with customers who are either relatively informed or uninformed about green power. Ultimately, the differences between the two groups served to provide a more balanced representation of the marketplace.

GENERAL DISCUSSION OF GREEN POWER

Understanding & Perceptions of Green Power

At first, there were only a few respondents in each group who could easily define the term "green power" on an unaided basis. (Some examples given include: "*environmentally friendly...conscious of its effects on the environment*"; "*environmentally sound*"). Not surprisingly, the most commonly cited sources of green power were solar and wind energy.

When the term "green power" was defined, however, reactions were very positive among both groups, with most reporting a "*very favorable*" impression. Specifically, after reading the definition, respondents were then able to play back key benefits of green power, namely:

> "*not harmful to environment, so not harmful to us...or future generations*"
> "*renewable, so we won't run out*"
> "*make our country less dependent on [foreign] oil*"

Similarly, all participants were in favor of increasing the use of green power, when asked. It appears that respondents are at least somewhat familiar with the concept of green power when reminded of its benefits. That is, green power as a concept is not a difficult "sell", but one that may require some explanation when it is introduced. Clearly, there is a need to educate NSTAR customers about the benefits of green power when introducing the program.

Awareness/Perceptions of Various Sources of Green Power

(Note: Given local availability of various green power sources, this discussion focused on the following four sources of green power: wind, solar, plant/biomass and landfill gas.) As mentioned, there was much stronger unaided recognition of solar and wind than the other two sources of green power. Even when prompted (when asked if they had heard of a specific source), all respondents in each group said they had heard of wind and solar, while far fewer were previously aware of biomass and landfill gas.

Specifically, in the first group, only 2 of 9 had heard of biomass and landfill gas, while in the second group 5 of 10 reported awareness of the these two sources. (As mentioned, respondents in the second group were generally more knowledgeable about this topic than the first group.)

Interestingly, in terms of their preferences among these four green power sources, there were much stronger opinions in the second group than in the first. In the first group, 4 of 9 respondents reported that they had "*no preference*" between the sources ("*so long as it's green*"). However, in the second group, all 10 participants were able to rank the four sources according to their preference.

Overall, most respondents who reported a preference ranked wind and solar in their "top two". Importantly, the familiarity of wind and solar energy (and relative unfamiliarity with landfill gas and biomass) appeared to make respondents prefer the relatively better known sources of green power. Particularly, for some respondents in the second group, their frequent need for "*more information*" left them more hesitant to embrace these "new" sources of green power. Reactions to biomass, especially, were more negative in the second group, as discussed on page 6.

In their rankings, 11 participants listed wind and 10 listed solar in their "top two" choices, among the 15 who reported any preference. (Between these two sources, there was a slight preference for solar in the first group, among the five who had a preference. In the second group, there was a very slight preference for wind, with solar a very close second.)

Preferences for wind and solar were followed by landfill gas, with 6 (of 15) respondents choosing it in their "top two". Biomass was a distant fourth, with only 3 of 15 naming it in their "top two" choices. More importantly, biomass was named as the last choice for 10 of the 15 respondents who reported a preference. (Perceived advantages and disadvantages for each source are discussed below.)

In examining the favorability ratings assigned to each of the four sources of green power presented, similar findings appear. Wind and solar were considered "*very favorable*" by 12 of 19 participants overall (6 of 9 respondents in the first group and by 6 of 10 respondents in the second group). In addition, most of the remaining participants viewed these sources as "*somewhat favorable*".

Key advantages cited for wind energy included its low impact on the environment, availability in this area and that it is renewable. ("*it's clean*", "*it works well where there is a constant wind*", "*it won't dry up...we'll always have it*"). Some potential disadvantages of wind energy mentioned included the visual aesthetics of multiple windmills on a larger scale, the space required to site windmills and, as it was described by one respondent, the "*not in my backyard*" factor. (One respondent raised the Cape Wind project in this context.)

As mentioned, overall reactions to solar energy were equally positive, primarily due to its renewable nature and due to familiarity with this energy source at the consumer level ("*you see homes now with solar panels*"). Perceived disadvantages included the limited availability or reliability in this area ("*it would be better in New Mexico*") and an impression among some that it would be a costly alternative.

Interestingly, reactions to landfill gas were quite positive in the first group (with 7 of 9 saying "*very favorable*" and the other 2 saying "*somewhat favorable*"). While still favorable in their overall impression of landfill gas, the second group viewed landfill gas slightly less favorably than those in the first group. (Specifically, they were split 5 and 5 between "*very favorable*" and "*somewhat favorable*" in their ratings.)

Respondents liked the idea that the gas is already and continuously available ("*the gas is there anyway, so why not use it?*") and that the source required no new space ("*the ground is useless as it is anyway...it's a landfill, you're not taking up any valuable land*").

Perceived disadvantages (particularly in the second group) focused on the questions of cost and availability ("*just how much can you get?*"). Again, this second group wanted "*more information*". Given the overall positive reactions when exposed to the concept of landfill gas, however, it appears that there is an opportunity to educate customers about its benefits.

Finally, reactions to biomass were somewhat mixed between the two groups. Most participants in the first group viewed it favorably (4 "*very*" and 4 "*somewhat*"). However, reactions in the second group were somewhat more negative than in the first group. In the second group, 6 viewed biomass favorably (3 "*very*" and 3 "*somewhat*"), but 4 viewed it unfavorably (2 "*somewhat*" and 2 "*very*"). Those respondents who were favorably disposed to biomass liked that a positive outcome resulted from a perceived negative ("*instead of the waste just piling up, some good can come out of it*").

Those with a more negative view questioned the cleanliness of burning waste ("*Is it more pollution?*"... "*It's dirtier than natural gas*"... "*There are toxic side effects....carbon dioxide released in the atmosphere*"). In the second group, one respondent was also particularly concerned that the burning of newspapers would be a "*bogus*" example of biomass energy.

Whereas solar and wind power appear to be more widely accepted as "clean" alternatives, biomass appears to suggest "more pollution". Clearly, there will need to be some education of biomass as a clean option for it to be an accepted form of green power for some customers.

REACTIONS TO NSTAR'S GREEN POWER OPTION

Initial Reactions to Concept

The focus group respondents were first exposed to a written concept of NSTAR's green power option, without any mention of prices. Reactions were positive, with virtually all (18 of 19) reporting that they would be at least "*somewhat interested*" in participating in such a program (6 "*very*" and 12 "*somewhat*").

Interestingly, the level of interest was strongest in the second group, where 5 of 10 said they were "*very interested*" and 4 of 10 reported that they were "*somewhat interested*". The first group was slightly more reserved in their interest, with 8 of 9 reporting that they were "*somewhat interested*" and only 1 saying she was "*very interested*".

While participants viewed the environmental benefits positively, there were some questions raised about the cost and, particularly in the first group, about the perceived reliability of electric service generated from green power sources. Again, respondents asked for "*more information*" to better understand this option. In its marketing communications, NSTAR will need more than a passing reference to reassure some customers about the continued reliability of service with green power.

In the second group, in addition to asking what NSTAR's green power option would cost, some also wanted to know if they could choose the mix of energy sources. This desire for control over the mix among some respondents in the second group is not surprising given the strong preferences of solar and wind over biomass in this group, as discussed previously. (The issue of choosing the mix is discussed in further detail on page 11.)

Finally, a few participants also asked for verification of their green power purchases ("*how would I know what I was getting?*"). (Later in the discussion, when discussing whether or not customers would choose the mix, respondents were told that they would receive a label every quarter detailing the percentage of energy from various sources. This idea was favorably received.)

Willingness to Pay for Green Power

Unaided Responses

Next, respondents were asked on an unaided basis (i.e., without any specific pricing) how many would be willing to pay a premium for green power. Approximately half in each group said that they would be willing to do so (which mirrors the MTC's research on this question). Among those willing to pay a premium, most were comfortable in the 10-15% range, with a couple in the second group willing to pay from 40% to even double their current electric bill.

Reactions to Specific Pricing Options

Respondents were then exposed to three pricing options, based on either 25%, 50% or 100% green power. The incremental monthly costs, based on a monthly average bill of $72, were explained to be as follows:

- 25% Green Power: $5.88
- 50% Green Power: $11.75
- 100% Green Power: $23.50

Overall, the interest in participating was greater at the lower price points. Specifically, at the 25% level, most participants (14 of the 18 who responded) said they would be either *"very" (8) or "somewhat interested"* (6) in participating. Respondents explained that they would feel like they were "*doing something, at least*" for relatively "*not much more*". Reactions to this price point were similarly positive between both groups.

Interestingly, respondents the second group were more interested in participating at the higher price points than were participants in the first group. However, the second group still preferred the lowest price point overall.

At the 50% price point ($11.75), interest decreased somewhat, with 12 of the 18 who responded saying that they would be either *"very" (4) or "somewhat interested"* (8) in participating. As mentioned, there was more interest in this price point in the second group

(8 of 10 either "*very*" or "*somewhat interested*") versus the first group, where only 4 (of the 8 who responded) expressed any interest at this price point.

At the highest price point (100% green power for an average additional cost of $23.50), there was only limited interest, with only 6 of the 18 who responded expressing any interest in this price point. In the first group, there was virtually no interest at this price point, with only 1 of the 8 who responded reporting any interest. The second group expressed more interest in this option, with 5 of 10 willing to consider this price point (2 "*very interested*" and 3 "*somewhat interested*"). Interestingly, one respondent suggested that the 100% green power option might be more acceptable in more affluent communities, where the $23.50 additional monthly cost might not be considered prohibitive.

Next, participants were asked to rank their choices, if NSTAR could only offer one or two pricing options. Overall, most chose the 25% option as their "*first choice*" and the 50% option as their "*second choice*". A few others in the second group suggested "*the extremes*" (25% and 50%): As they explained, "*There are some people who will throw $6 at it and those who are really committed.*"

Finally, respondents were asked how interested they would be in participating if NSTAR would only offer one option. At the 25% level, most (14 of 19) said they would be interested in participating (12 "*very*" and 2 "*somewhat*").

If possible, it is recommended that all three options be offered to customers when the green power option is introduced. The idea of "choice" or "options" was one that was favorably received. However, if only one or two options can be offered, the 25% and 50% levels (in that order) appeared to generate the broadest interest.

Reactions to Pricing Structure (fixed percentage vs. fixed dollar amount)

Next, in terms of the pricing structure, respondents were given two options: either a fixed percentage (where the dollar amount would vary according to their usage) or a fixed dollar amount (where the percentage of green power would vary). Interestingly, the first group appeared more flexible in this regard, with most saying they had no strong preference. Meanwhile, the second group strongly favored the fixed percentage, with 9 of 10 choosing this option.

Those who had a preference appeared to find the fixed percentage option "*easier to understand*", and felt that they were "*doing [their] share*", knowing that they were purchasing a set percentage each month. There also appeared to be an expectation that the dollar amount would not vary dramatically.

Based on this research, therefore, it would appear that the fixed percentage would be the preferred option. (Note: When introducing the program to customers, it may be helpful, however, to clearly explain that the exact dollar amount may change based on their monthly electric usage, so that there are no negative "surprises").

Reactions to Tax Incentive

Next, participants were told of a potential federal tax deduction for their green power purchases and asked how that might impact their interest in participating in NSTAR's program.

Based on this research, the tax deduction appears to be a potentially strong motivator: most respondents (16 of 19) stated that they would be more inclined (10 "*much more inclined*" and 6 "*somewhat more inclined*") to participate in the program with such a tax deduction. (The few others said it would make "*no difference*", with no one being "*less inclined*" to participate.)

Respondents reacted very positively to the tax incentive, including one man who was particularly enthusiastic ("*This is huge...that's when I start talking to my neighbors and getting them to do it too.*") Not surprisingly, respondents liked the idea that they could "*get some of the money back*" ("*every little bit helps*").

Furthermore, some participants suggested that with the tax incentive perhaps more people would get involved in the program, which would make their own contribution more significant ("*so I'm not the only one doing it*"). Others also responded positively to the idea that if it was a federal deduction, perhaps other states could also be setting up similar programs.

Ultimately, the tax deduction suggested to respondents that there would be more purchases of green power, which appeared to enhance their own interest in participating. (As one woman had questioned earlier: "*how do you get large amounts of people to convert*?") Therefore, it appears that the tax deduction is not only a financial incentive for that individual, but may help to enhance perceptions of green power as a viable alternative on a broader scale.

Based on these research findings, it is recommended that the tax deduction (MCEC program) be included in NSTAR's marketing its Green Power Option. It appears that, particularly as a federal tax deduction, this could be a considerable motivator to stimulate customer interest in green power purchases.

Relative Importance of Choosing the Mix of Green Power Sources

Respondents were given two options: either customers could choose the mix of green power (ex., dictating 90% solar and 10% wind energy) or NSTAR would create the most cost effective mix. As mentioned, there were considerable differences between the two groups in their degree of preference between green power sources (i.e., the first group tended to be more indifferent and the second group held very strong opinions on the various sources of green power).

Therefore, it was not surprising that results on this question were also mixed: the first group (those who did not have strong preferences) wanted NSTAR to create the mix, while the second group (who had strong preferences) wanted to dictate the mix themselves. While this may seem inconclusive, it is probably reflective of a varied customer base: there will be customers who are more educated and want to make their own choices and other customers who are rather uninvolved and are "*just happy so long as it's green*".

If possible, it is recommended to give customers the option to create the mix if they want to do so and, if not, to allow customers to opt for NSTAR creating the most cost effective mix. If this idea is not operationally feasible, then it is recommended that NSTAR simply offer customers the ability to choose the mix.

However, if this option is not deemed to be cost effective (i.e., if NSTAR would have to create the mix to make the program cost effective), then it is recommended to at least make sufficient information available (perhaps on the website) to satisfy those customers whose need for information makes them hesitant to embrace less familiar alternatives. In addition, by educating consumers (especially in the case of biomass), perhaps some of the potential negative perceptions can be alleviated. This may make some customers more accepting of the various choices and, therefore, more amenable to allowing NSTAR to create the mix.

Finally, it should be noted, that even if customers cannot choose the mix of sources, it should be helpful to at least communicate (ex. quarterly) the percentage of each source that they are purchasing. As mentioned, respondents do appear to want some form of verification of their green power purchases.

Relative Preference for NSTAR to Provide Green Power vs. Competitor

Participants were asked if they would prefer to choose green power from NSTAR, an independent provider or if they were indifferent. Interestingly, the first group was considerably more brand loyal, with 7 of 9 choosing NSTAR. Their responses reflected positive opinions about the company, as well as a certain amount of inertia in finding other alternatives:

> [NSTAR]: "*They are the trusted leaders in the industry.*"
>
> "*I don't have time for this* [to pick another provider]...*Leave it to the experts. It's their job, not mine.*"
>
> "*It's just easier...would my service be interrupted if I went elsewhere*?"

Meanwhile, the second group were considerably less brand loyal, with almost all (9 of 10) saying they were "*indifferent*". When asked why they would not have a preference, some suggested that their electric service was not top of mind: "*I have no brand loyalty. It's fine service, but not something I think about.*"

Another respondent in this group started complaining about past outages (in his town of Arlington), but when prompted, agreed that the service was "*better in the past year and a half*". The group was asked if they were generally satisfied with their service, which they did

appear to be. Therefore, it does not appear to be dissatisfaction with NSTAR that caused the limited loyalty in this group, but rather more indifference or lack of involvement in their electric service.

(Interestingly, it should be noted that one woman mentioned "*your rate goes up if you leave NSTAR and come back*". A few suggested after hearing the woman's comment that they might be more inclined to stay with NSTAR for this reason.)

Finally, one might suggest that by introducing a green power program, it might make customers more positively disposed to NSTAR. As discussed further on page 16, the green power option did appear to enhance respondents' impressions of NSTAR as a company.

Relative Importance of Knowing Exact Sources of Power

Respondents were asked how important it was for them to know exactly where the green power was being generated (ex. the exact location of the windmill, landfill, etc.). Overall, more respondents (12 of 19) said that they would like to know (7 found it "*very important*" and 5 found it "*somewhat important*"). One woman suggested that at least "*initially*" (when the program was introduced), it would be helpful to know where the power was coming from. This would also serve to legitimize that the power was coming from green sources ("*tell me what I'm getting*").

Not surprisingly, those in the first group were more indifferent than those in the second group. Specifically, most of those in the first group (6 of 9) were less interested (5 found it "*somewhat unimportant*" and 1 "*not at all important*"). Meanwhile, among the information-seeking second group, virtually all (9 of 10) were interested in knowing the exact source (4 found it "*very important*" and 5 "*somewhat important*").

However, it is important to note that, although many said that they would like to know, they do not appear to need to know. Respondents were asked if they did not know exactly where the green power was being generated, would they still participate in the program. Interestingly, most (15 of 19) said they would still be interested in participating in the program without this information. (Specifically, 11 stated that they would still be "*very*

interested" and 4 said they would still be "*somewhat interested*".) Therefore, even among the information-seekers, this degree of information does not appear to be absolutely necessary.

Next, respondents were probed about some specific potential sources of green power in this area (both current and proposed) to determine if they were aware of these sources and, if so, about their opinions of such sources. First, for the current examples, there was some awareness of the MWRA plant on Deer Island, with far more limited awareness of the windmill in Hull and virtually no awareness of the landfill in Chicopee.

In terms of their perceptions, respondents were either indifferent or positive. For example, some were pleased to hear that there was a "*positive outcome*" (in terms of green power produced) from the MWRA's waste water plant.

In addition, respondents were asked about some proposed green power projects, namely the proposed windmills on Boston Harbor Islands and the Cape Wind project. First, no participants reported being previously aware of the Boston Harbor Islands project, but generally viewed it positively when it was mentioned briefly. In addition, participants were asked what their impression would be if NSTAR was associated with this project and the response was generally positive ("[It shows that] *they're more green friendly*").

In terms of the Cape Wind project, not surprisingly, there was more awareness of this project (with 11 of 19 previously aware). While some respondents appeared to be aware of the controversy surrounding this project, they did not appear to perceive the project negatively. ("*I need more information. I've only heard the negative.*") When asked if they would be in favor of NSTAR purchasing green power from this source if it were to be built, most at least appeared to be open to the possibility.

Relative Importance of Third-Party Endorsements

Participants were asked how important (on a scale of 1-10) it would be for NSTAR's Green Power Option to be endorsed by either an environmental advocate or the state government. The endorsement by an environmental advocate appeared to carry considerably more weight than that of a state agency or figure. Specifically, in examining their individual ratings on

these questions, the overall mean rating on the environmental advocate was an 8.1, while for state government, it was only a 5.5.

Also, when asked how many respondents gave ratings in the "8-10" range, most (15 of 19) assigned such importance to the environmental advocate, with far fewer (only 4 of 19) considering a state government endorsement to be in this "8-10" range.

When asked why the environmental endorsement was so important, some suggested that this validated NSTAR's Green Power Program. As one participant explained, "*NSTAR is not in the business of saving the environment.*" Respondents looked favorably on the "*expert opinion*" to provide reassurance that the power they were buying would be, in fact, "green". In addition, another suggested that if NSTAR could <u>not</u> get an endorsement that it might make the program seem suspect: "*If you can't get one to back you, give it up.*"

In terms of specific environmental advocates, MassPIRG and Sierra Club carried far greater name recognition than Green Mountain Energy or Amory Lovins. Specifically, 16 (of 19 respondents) had heard of Sierra Club and 15 had heard of MassPIRG. On the contrary, only 4 had heard of Green Mountain Energy and no one had heard of Amory Lovins.

A few suggested that obtaining an environmental endorsement from MassPIRG might be difficult (*"they're more hard core"*). Therefore, getting such an endorsement might carry considerable weight (*"They're more radical, so if you can get them on your side..."*) Some also liked the idea that MassPIRG was a local group, as opposed to a national organization, such as the Sierra Club.

In terms of the state government endorsement, some appeared rather skeptical of state government in general, which made any endorsement less meaningful to them (*"They'll do it if it looks like it'll get them votes"*). Clearly, the impact of an environmental advocate was more compelling to most respondents. Some other suggestions for third-party endorsements included the EPA, the State Attorney General's office (*"they're more consumer advocates"*) or the TV media's own consumer advocates (*"Like if one of the consumer advocates on Channel 4, 5 or 7 said this was a good idea that would make me feel good"*). It appears there may be opportunity to promote NSTAR's Green Power Option via some public relations programs through the general media.

Impact on Impressions of NSTAR as a Company

When asked what impact a Green Power Option would have on their attitude toward NSTAR as a company, respondents reacted rather positively. Overall, most participants (15 of 19) said it would improve their impression of NSTAR (6 "*greatly*" and 9 "*somewhat*").

Interestingly, those in the second group (the more "opinionated" group) were particularly positive: 6 of 10 said it would "*greatly improve*" their impression and 3 of 10 said it would "*somewhat improve*". (By comparison, in the first group, 6 of 9 said it "*somewhat improve*" their perception, while 3 said it would make "*no change*".)

Importantly, the woman who had earlier suggested that she felt no specific loyalty to NSTAR, said she now felt more positive ("*As I said, I never thought twice about them as a company, but knowing this would actually make me think of them and think positively.*") Others appeared to agree with her comment.

When asked what the Green Power Option told them about NSTAR as a company, participants suggested some very positive connotations, for example:

"[They're] *a socially conscious corporation.*"

"*They care about the environment.*"

"*They're doing their part.*"

"*Forward thinking.*"

"*Willing to listen to customers.*"

There were, of course, a few skeptics ("*they're still bottom line oriented*"... "*It might be a noble objective, but with not such good implementation*"). However, for the most part the reaction toward NSTAR as a company was very positive. Therefore, the research suggests that there may be considerable opportunity to enhance NSTAR's company image by means of a green power program. Again, this suggests broad communication of NSTAR's program, not only through bill inserts, but also in the media, through advertising and public relations.

SUMMARY/RECOMMENDATIONS:

Based on the findings of this research study, there appears to be considerable interest and appeal in a green power option. In order to maximize participation in an NSTAR program, it is recommended that customers be educated (or reminded) of the benefits of green power. In particular, certain green power sources (namely biomass and landfill gas) will require further explanation (vs. solar and wind, which are more widely accepted as "green" alternatives).

In terms of pricing, there at least needs to be a low level (ex. 25% or $5.88) option to generate broad-based interest in the program. If multiple options can be offered, this may also increase participation, allowing those who are willing to commit more to green power that possibility. It appears that a fixed percentage pricing structure is more appealing than a fixed dollar structure. Finally, the tax incentive appears to be a strong motivator and should be included in NSTAR's marketing communications.

Since the relative importance of choosing the mix of green power sources differed according to the level of interest and knowledge about green power, it is suggested that customers be given an option to choose the mix if they want to do so or if not, allow them to opt for NSTAR creating the mix. If this idea is not possible, it is recommended that NSTAR make ample information to those who seek it (ex. on the website), to alleviate concerns with various sources and, therefore, perhaps make customers more amenable to allowing NSTAR to create the mix.

Respondents appeared either to prefer to buy their green power from NSTAR or were indifferent, but fortunately, did not appear to be seeking competitive alternatives. In fact, it appears that by introducing a Green Power Option, brand loyalty could be enhanced. The introduction of a Green Power Option did appear to improve impressions of NSTAR as a company among these participants.

While participants appeared to be interested in hearing exactly the source of green power (ex. where the windmill, landfill, etc. was located), this did not appear to be absolutely necessary. Most reported that they would still be interested in participating without this information.

In terms of third-party endorsements, an environmental advocate's endorsement appears to be more compelling than that of state government. Of those environmental advocates mentioned, MassPIRG and the Sierra Club appear to have the broadest name recognition and potential influence.

Finally, there appears to be an opportunity for broad-based communication of NSTAR's Green Power Option, not only through bill inserts to existing customers, but also through advertising and public relations to a broader audience. It appears that the positive associations of green power can only serve to enhance NSTAR's public image.

Suggestion for Future Research

As NSTAR prepares its Green Power service for introduction, it may want to conduct research on marketing communications pieces (ex. bill inserts, advertising concepts, the website, etc.) before the actual launch. Qualitative research can be used to evaluate these marketing vehicles on important measures including:

- Message comprehension (Does it communicate clearly?)
- Relevance (How compelling is the message?)
- Persuasion (Will it stimulate trial of the new service?)

Such research can serve to maximize the effectiveness of NSTAR's marketing campaign and contribute to a successful launch of NSTAR's Green Power Option.